

HOUSE BILL No. 4667

May 2, 2013, Introduced by Rep. Poleski and referred to the Committee on Appropriations.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
by amending section 88b (MCL 125.2088b), as amended by 2012 PA 145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 88b. (1) The fund shall create and operate programs
2 authorized under this chapter. The fund board shall determine the
3 annual allocation of money for programs authorized under this
4 chapter and make authorized expenditures or investments from the
5 investment fund of the 21st century jobs trust fund created in the
6 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, as
7 authorized under this chapter for programs and activities
8 authorized under this chapter.

9 (2) Money transferred or appropriated by law to the fund for
10 the purposes of carrying out this chapter or chapter 8C shall be

1 expended or invested by the fund as authorized by law for the
2 following purposes:

3 (a) 21st century investments.

4 (b) Grants and loans approved by the commercialization board
5 under section 88k.

6 (c) Other programs or activities authorized under this
7 chapter.

8 (d) For promotion of tourism in this state. For fiscal year
9 2010-2011 only, \$20,000,000.00 for the promotion of tourism in this
10 state from funds appropriated in the jobs for Michigan investment
11 program - 21st century jobs fund line in section 109 of 2010 PA 191
12 with not less than \$1,500,000.00 to be used for the 2010-2011
13 winter advertisement buy. For all funds used for promotion of
14 tourism in this state under this subdivision, the fund shall report
15 to the legislature at the same time and in the same manner as
16 provided in section 89d.

17 (e) Grants, loans, or other economic assistance under section
18 88r and community revitalization incentives under chapter 8C.

19 (3) Not more than 4% of the annual appropriation as provided
20 by law from the 21st century jobs trust fund created in the
21 Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may be
22 used for the purposes of administering the programs and activities
23 authorized under this chapter. However, the fund and the fund board
24 shall not use more than 3% of the annual appropriation for
25 administering the programs and activities authorized under this
26 chapter unless the fund board by a 2/3 vote authorizes the
27 additional 1% for administration. The MEDC may charge actual and

1 reasonable fees for costs associated with loans, grants, or other
2 economic assistance under this chapter. These fees are in addition
3 to an amount of the appropriation used for administering the
4 programs and activities authorized under this chapter.

5 (4) Not more than ~~5%~~ **\$7,250,000.00** of the annual appropriation
6 as provided by law from the 21st century jobs trust fund created in
7 the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.260, may
8 be used for business development and business marketing costs. ~~Not~~
9 ~~less than 80% of the funds committed for business development and~~
10 ~~business marketing costs shall be targeted to persons or entities~~
11 ~~outside of this state.~~ No funds may be used for any business
12 development and business marketing effort that includes a reference
13 to or the image or voice of an elected state officer or a candidate
14 for elective state office and that is targeted to a media market in
15 Michigan.

16 (5) The fund shall not use any money appropriated or
17 transferred for purposes authorized under this chapter to acquire
18 interests in or improve real property. The restriction under this
19 subsection does not prohibit the fund from taking a security
20 interest in real property. The restriction under this subsection
21 applies only to the fund and not to recipients of expenditures or
22 investments under this chapter.

23 (6) The fund board may select all vendors for all expenditures
24 and for program awards under this chapter by issuing a request for
25 proposal or an alternative competitive process as determined by the
26 fund board. At a minimum, the request for proposal shall require
27 the responding entities to disclose any conflict of interest,

1 disclose any criminal convictions, disclose any investigations by
2 the internal revenue service or any other federal or state taxing
3 body or court, disclose any litigation involving the entity, and
4 maintain records and evidence pertaining to work performed. The
5 fund board shall establish a standard process to evaluate proposals
6 submitted as a result of a request for proposal and appoint a
7 committee to review the proposals. The fund or the fund board shall
8 not appoint or designate any person paid or unpaid to a committee
9 to review proposals if that person has a conflict of interest with
10 any potential vendors as determined by the office of the chief
11 compliance officer established in section 88i.

12 (7) Application fees received for programs and activities
13 authorized under this chapter or chapter 8C may be used by the fund
14 for administering the programs and activities authorized under this
15 chapter or chapter 8C. The restrictions on expenditures under
16 subsection (3) do not apply to expenditure of application fee
17 revenue under this subsection.